

# HOOSIER ENERGY

RURAL ELECTRIC COOPERATIVE, INC

A Touchstone Energy Cooperative 

March 20, 2009

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Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street SW  
Washington, D C 20423

Re Finance Docket No 35181, The Indiana Rail Road Company - Petition for Declaratory Order

Dear Ms Quinlan

My name is Rob Horton, Department Manager, Fuels for Hoosier Energy Rural Electric Cooperative, Inc ("Hoosier"). Hoosier has entered into an agreement with Peabody for a coal supply from their Bear Run Mine. This coal will be utilized at Hoosier's Merom Generating Station, located in Sullivan County, IN. Merom Station is served by the Indiana Rail Road Company ("INRD").

Peabody is in the construction process of opening the Bear Run Mine. This construction is to include rail service, which INRD has agreed to provide. Merom Station receives nearly 3.3 million tons of coal per year, of which, 2.7 million tons are received via rail. The ability to move this coal via rail is the most cost effective and avoids an increased number of trucks on the highways.


We understand that The Indiana Rail Road ("INRD") is prepared to begin construction of a spur track from its main line in Dugger, IN to serve the Bear Run Mine as soon as the STB has confirmed that this will be an exempt spur track and not a line extension. Hoosier believes the impact of the spur track will include,

**PEABODY** Construction of the spur track will provide jobs immediately in central Indiana, and the Bear Run project will provide approximately 350 jobs when it is fully implemented.

**HOOSIER ENERGY** Construction of the spur track will permit Hoosier to provide its Merom Generating Station with a reliable supply of Indiana coal delivered by railroad, avoiding the wear and tear on the highways that would result from truck transportation.

Hoosier Energy REC asks that the Board act expeditiously and favorably on INRD's pending petition for a declaratory order such that INRD can build the spur track and the Bear Run project can proceed without delay.

Yours very truly,



John R. Horton  
Department Manager Fuels

RH/pjm

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